

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



Legislature Began Investing in 1986

- Created the Public Works Board
- Created the Public Works Assistance Account (PWAA)
- Established Mission

'Encourage self reliance of local governments in meeting their public works needs and assist in the financing of critical public works projects by making loans' (RCW 43.155)

Public Works Board Membership

13-member Governor appointed Board

4 - General public representative

3 - County Representative recommended by WASAC

3 - City Representatives recommended by AWC

2 - Water/Sewer District Representatives recommended by WASWD

1 - PUD Representative recommended from WPUDA

Legislature Dedicated Revenue to PWAA

- Real Estate Excise Tax (REET)
- Public Utility Tax on Water and Sewer
- Tax on Refuse Collection
- Loan Repayments (Principle & Interest)
- Interest on the account goes to Fund 887 CERB

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

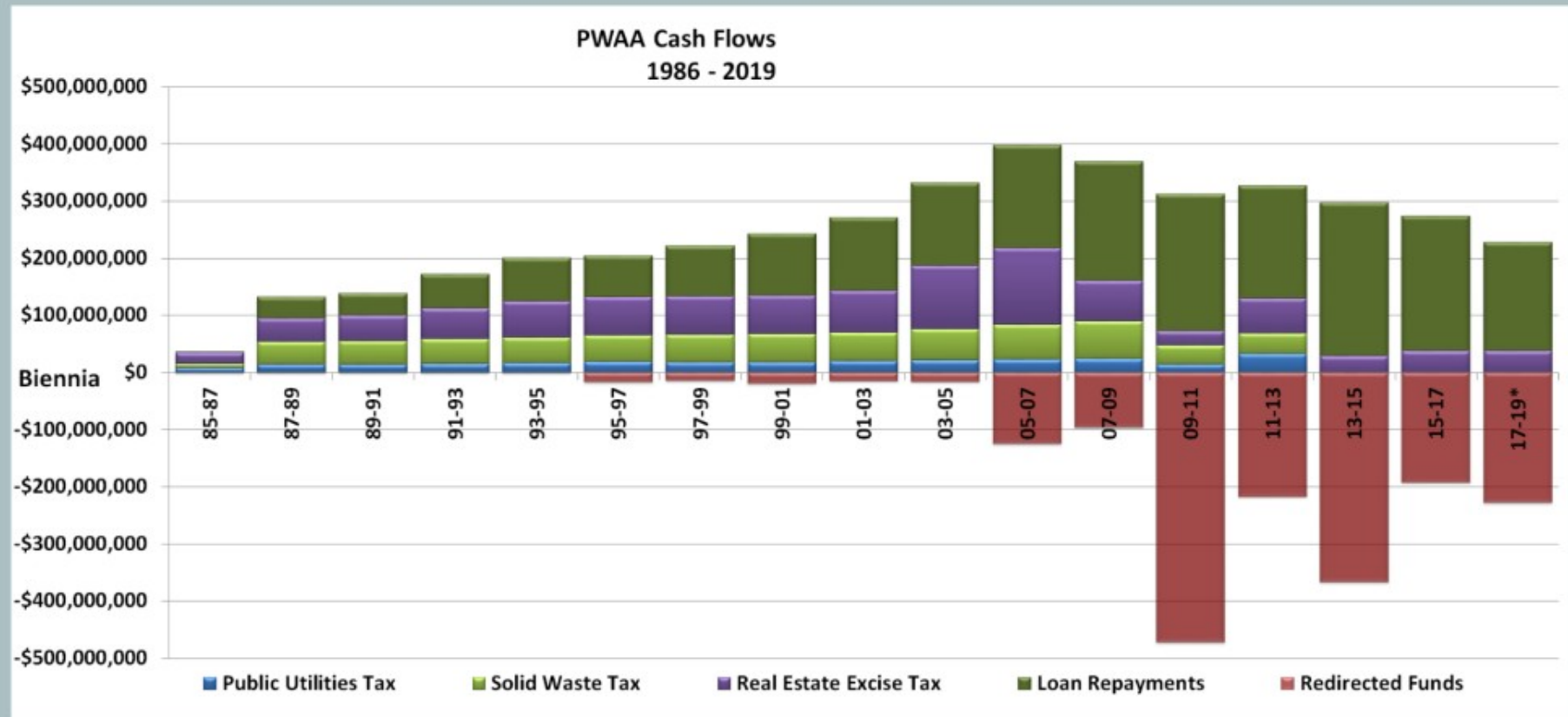
Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

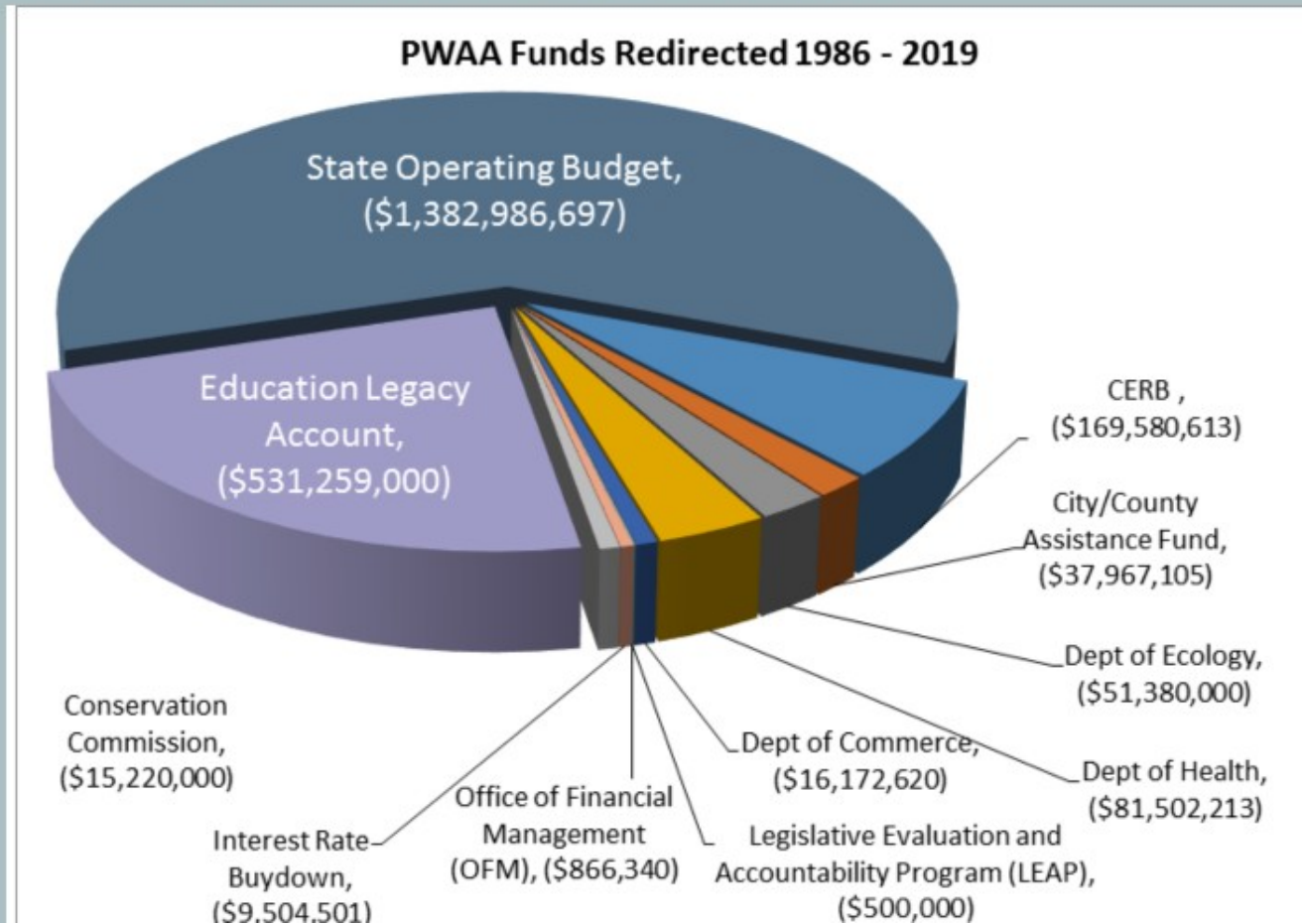
CONTACT
INFORMATION



Public Works Assistance Account - Growth



The Good and the Bad News



INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



Loan Programs Funded by PWAA

- PWAA Construction Loan Program (1986)
- PWAA Planning Loan Program (1989)
- PWAA Emergency Loan Program (1989)
- PWAA Pre-Construction Loan Program (1996)

Eligible Applicants

- Counties
- Cities
- Towns
- Special Purpose Districts

Eligible Systems

- Domestic Water
- Sanitary Sewer
- Storm Sewer
- Roads/Streets
- Bridges
- Solid Waste/Recycling

Legislative and Board Priorities

- Protect public health and safety
- Promote environmental health
- Maintain or improve system performance
- Promote economic development
- Resiliency
- Sustainability

Loan Terms and Interest Rates

All Interest rates will start with a base of 50% of the average daily market rate for tax exempt municipal bonds. (30-60 days prior to offering a loan.

Sample Interest Rates

Table 1 – STANDARD RATE FOR ALL LOANS WITH A REPAYMENT PERIOD OF 20 YEARS OR MORE

Applicant Financial Status	Interest Rate	Examples assuming a 3.1% ADMR
Standard base rate	50% of ADMR	$3.1\% \times 50\% = 1.6\%$ Interest Rate
Hardship	80% of Non-Distressed Rate	$1.6\% \times 80\% = 1.3\%$ Interest Rate
Extreme Hardship	50% of Non-Distressed Rate	$1.6\% \times 50\% = 0.8\%$ Interest Rate

Table 2 – STANDARD RATE FOR ALL LOANS WITH A REPAYMENT PERIOD OF 5 YEARS OR LESS

Applicant Financial Status	Interest Rate	Examples assuming a 3.1% ADMR
Standard base rate	50% of ADMR	$3.1\% \times 50\% = 1.6\%$ Interest Rate
Hardship	80% of Non-Distressed Rate	$1.6\% \times 80\% = 1.3\%$ Interest Rate
Extreme Hardship	50% of Non-Distressed Rate	$1.6\% \times 50\% = 0.8\%$ Interest Rate

Hardship Determination

The Board has the authority to provide reduced interest rates and extended loan repayment periods for all applicants that meet financial hardship criteria as measured by the **Affordability index (AI)** for rate based projects or **Debt Service Coverage Ratio (DSCR)** for not rate based projects.

- **AI** is used to gauge the level of a rate-based system's financial hardship. It measures the impact of the system debt at the individual level.
- **DSCR** is used to gauge the level of a non-rate-based system's financial hardship. It measures the impact of the system debt at the community level.

Hardship Determination

The Board has the authority to provide reduced interest rates and extended loan repayment periods for all applicants that meet financial hardship criteria as measured by the affordability index (AI) for rate based projects or Debt Service Coverage Ratio (DSCR) for non rate based projects.

Table 3 – FINANCIAL HARDSHIP RANGES FOR ALL LOANS WITH A REPAYMENT PERIOD OF 20 YEARS OR MORE (CONSTRUCTION PROJECTS)

Non-Hardship AI Range	Interest Rate	Hardship AI Range	Interest Rate	Severe Hardship AI Range	Interest Rate
0.0% – 2.0%	50% of ADMR	2.1% - 3.5%	80% of the non- hardship rate	3.5% ↑	50% of non- hardship rate
Non-Hardship DSCR Range	Interest Rate	Hardship DSCR Range	Interest Rate	Severe Hardship DSCR Range	Interest Rate
1.5% ↑	50% of ADMR	1.4% - 1.2%	80% of the non hardship rate	1.0%↓	50% of non- hardship rate

Funding Opportunitites

- Legislature recently authorized the Board to fund construction projects **without Legislative approval.**
- This will enable the Board to collaborate better with other funding sources (DOH and DOE)
- **4 funding windows a biennium** for Construction funding (every 6 months)
\$10 million limit
 - Funding available upon contract execution
- **12 funding windows a biennium** for Pre-Construction funding (every other mo)
\$1 million limit
 - Funding available upon contract execution

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



Public Works Board -

Helping one jurisdiction at a time

Technical Assistance

- One-on-One technical assistance in the field - we go to them
- Funding Tech Teams
- Funding Webinars
- IACC Participation and Support

Training

- Regional Training Events
- Webinars
- IACC Participation and Support

Regional Trainings

Events across the state - Bringing Funders, Technical Experts, and Communities together



Trainings that can be taken back to their community and used immediately

- Best practices
- How others handled the same problems
- How to meet program requirements

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



What has the Pubic Works Board done for Washington state

- 2,800 loans in 31 years
- Over \$2.8 Billion successfully invested in critical infrastructure
- Loans provided to all sizes of local governments
- Projects funded in every County of Washington state
- BROAD RANGE of loans: from \$1 million to \$10 million, with an average of \$6 million
- Selection of projects as ranked and scored according to the criteria outlined by law

SB 5981-Capital Budget (pending) Includes funding for:

- \$97.1 M - loan list for 25 projects
- \$14 M-Pre-Construction Resources
- \$5 M-Emergency Resources

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



INTERAGENCY, MULTIJURISDICTIONAL, SYSTEM IMPROVEMENT TEAM (IMSIT)

HB 1677 - Directed the Board to Create and facilitate the Interagency Multijurisdictional System Improvement Team "IMSIT"

In partnership with:

- Public Works Board
- Department of Commerce
- Department of Ecology
- Department of Health

Purpose

Identify, Implement, and Report on System improvements that achieve the designated outcomes identified in ESHB 1677 (regarding infrastructure financing in Washington State)

Including mechanisms to ensure periodic, system-wide review and ongoing achievement of designated outcomes

Initial focus is on "Water"

- Drinking
- Sanitary
- Storm/Culverts

Purpose

- Focus on achieving the designated outcomes within existing program structures
- Identify barriers and propose solutions
- Identify alternate financing mechanisms
- Including mechanisms to ensure periodic, system-wide review and ongoing achievement of designated outcomes
- Provide briefings to the Public Works Board
- PWB will provide a report to the Legislature

Who will participate in IMSIT?

IMSIT shall be made of the core group of the four agencies identified, and other

- State Agencies
- Federal Agencies
- Industry Associations
- End Users
- Industry Experts

IMSIT Scope of Work

Using Lean Methods

- Streamline
- Remove redundancies,
- Align funding cycles
- Align with State Priorities
- Standardize – across agency, program, and state and federal when possible
- Identify – Implement - Report

IMSIT Outcomes

- Sustainability
- Resiliency
- Increased Local Capacity and Accountability
- Better Communication
- Better Collaboration
- Ease of Access
- Clear Roles and Responsibilities

Next Steps

- Identify and work with other agencies, groups, and end users to achieve goals
- To enable complete transparency:
 - Develop page on Public Works Board website with all material developed
 - Develop Interested Parties list to disseminate information
- Gather input on gaps, barriers, and challenges
- Develop opportunities to work on individual gaps, barriers, and challenges, processes and develop solutions.
 - Work Sessions in Olympia ?
 - Work sessions around the state?

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION



Contact Information

Scott Hutsell, Chair
Public Works Board
360.725.2744

Cecilia Gardener
Executive Director
360.725.3166
cecilia.gardener@commerce.wa.gov

INFRASTRUCTURE IS FUNDAMENTAL



Public Works Board

Public Works Assistance Account (PWAA)

Programs

Technical Assistance Training

Impacts

Interagency, Multijurisdictional, System Improvement Team (IMSIT)

PWB.WA.GOV

CONTACT
INFORMATION

